

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM DECEMBER 10, 2008
OPEN SESSION

MINUTES OF DECEMBER 10, 2008 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN NATCHITOCHES, LOUISIANA. PRESENT WERE CHAIRMAN JAY BLOSSMAN, VICE CHAIR LAMBERT BOISSIERE, COMMISSIONERS JIMMY FIELD, FOSTER CAMPBELL, AND PAT MANUEL. ALSO PRESENT IS LAWRENCE C. ST BLANC.

Open Session of December 10, 2008 convened at 10:00 A.M., adjourning at 1:40 P.M., Natchitoches Events Center, 750 Second Street, Natchitoches, Louisiana, with the above-named members of the Commission and Secretary Lawrence C. St. Blanc.

Ex. 1 Announcements

Commissioner Field presented Commissioner Blossman with a plaque for his years of service as a Commissioner.

Commissioner Field asked that Staff extend an invitation to Bruce Rew to give a presentation at the January meeting.

Commissioner Campbell thanked everyone for coming to Natchitoches.

Ex. 2 Setting of Commission Business and Executive Session meeting dates for 2009

On motion of Commissioner Manuel, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the tentatively scheduled dates as read into the record for the 2009 Business and Executive Sessions.

Commissioner Campbell requested that the May B&E be in Vidalia, Louisiana.

Ex. 3 **U-30192 - Entergy Louisiana, LLC, ex parte. In re: Application of Entergy Louisiana, LLC for Approval to Repower Little Gypsy Unit 3 Electric Generating Facility and for Authority to Commence Construction and for Certain Cost Protection and Cost Recovery.**

In re: Discussion and Possible Vote on Proposed Budget Submitted by Exeter Associates.

On motion of Commissioner Boissiere, seconded by Commissioner Manuel, and unanimously adopted, the Commission voted to accept the Staff Recommendation and hire Exeter and Associates to continue Phase I monitoring functions throughout the remainder of the construction period pursuant to the Monitoring Plan adopted by the Commission for a budget of \$47,000 for professional services plus 10 percent of that amount for other direct expense costs, or \$4,700.

Ex. 4 **U-21453, U-20925, and U-22092 (Subdocket J) – Entergy Gulf States, Inc., ex parte. In re: Request for the approval of the Jurisdictional Separation Plan for Entergy Gulf States, Inc.**

In re: Motion of the Louisiana Public Service Commission Staff to Enforce Order No. U-21453, U-20925 and U-22092 (Subdocket-J) with respect to the accounting for the Spindletop Gas Storage Facility.

Special Counsel Mike Fontham and Entergy Counsel Mike Twomey requested this item be placed on next month's agenda.

Ex. 5 **U-30070 - LPSC, ex parte. In re: Investigation into the tap in fees charged by Northlake Environmental Engineering Services.**

**At the request of Commissioner Blossman.
Last month's Ex. 6**

On motion of Commissioner Blossman, seconded by Commissioner Manuel, and unanimously adopted, the Commission voted to dismiss the complaint in Docket U-30070 subject to the conditions read into the record.

Ex. 6 **U-30590** - Greenleaves Utility Company, Inc. (Mandeville, Louisiana), ex parte. In re: Consolidated application for authority to (1) amend its Tariff to provide for an increase of two dollars for water service and also to (2) consolidate the terms of and rates for service for all customers under said tariff.

In re: Regarding clarification of the interim rate increase approved 6/5/08, at request of Commissioner Blossman.
Last month's Ex. 7

On motion of Commissioner Blossman, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to amend Order U-30590 to authorize H2O Systems to provide service to the former customers of Northlake Environmental Engineering Services Co. under the rates, terms and conditions provided for in H2O System's tariffs. It was further ordered that the Commission amend the Order to provide that the \$2.00 interim rate increase is to be levied only on those customers who were receiving service from Greenleaves before the merger and is not to be charged to the former customers of Northlake Environmental Engineering Services. Commissioner Blossman clarified that this is subject to refund based on Staff's determination in the ongoing rate case.

Ex. 7 **U-28513** – Energy America, ex parte. In re: Complaint against Entergy Louisiana, Inc. regarding the application of its Large Economic Expansion Service Rider Schedule 3 to its Large Industrial Power Service Rate Schedule LIPS-16.

Last month's Ex. 9

Oral argument was heard from Luke Piontek and Kent Parsons on behalf of Energy America, Mike Twomey on behalf of Entergy Louisiana, Inc and Matt Loftus on behalf of Commission Staff.

On motion of Commissioner Field, seconded by Commissioner Campbell, with Commissioner Boissiere concurring and Commissioners Blossman and Manuel dissenting, the Commission voted 3 to 2 to affirm the ALJ decision as issued on August 26, 2008.

Ex. 8 **R-30347** – AT&T, Louisiana, ex parte. In re: Petition for Modification of Rules and Regulations Necessary to Achieve Regulatory Parity and Modernization.

In re: Proposed Rule

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation, except to supplement Recommendation No. 5 as follows: "In order to provide greater parity during the pendency of the subdocket, AT&T shall file semi-annual reports, but the fines provided for in Order No. U-24802-A shall be suspended until the completion of the subdocket. This Commission reserves its right, however, to reinstate these fines at any time this Commission deems such reinstatement to be in the public interest."

Ex. 9 **R-30703** - LPSC, ex parte. In re: Consideration of procedures whereby jurisdictional electric utilities must provide the Commission Staff with notice of unsolicited offers, as well as their response to, and analysis of, unsolicited offers.

At the request of Commissioner Blossman
Last month' Ex. 24

Commissioner Field made a motion to deny reconsideration. However, that motion died for lack of a second.

On motion of Commissioner Blossman, seconded by Commissioner Manuel, with Commissioner Boissiere concurring, and Commissioners Field and Campbell dissenting, the Commission voted

to grant the request for rehearing.

Karen Freese, on behalf of Entergy Louisiana, LLC, Randy Young on behalf of LEUG and Suez Energy, and Matthew Loftus, on behalf of Commission Staff, presented argument on the proposed order.

On motion of Commissioner Campbell, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to affirm last month's decision.

Ex. 10 **R-30715** – In re: Adoption and implementation of the Federal Railroad Safety State Participation Program in accordance with LA R.S. 45:561 and 562, enacted in the 2008 Legislative Session.

In re: Motion for Reconsideration

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to deny the motion for reconsideration.

Ex. 11 Presentation on Haynesville Shale by Paul Sander, Vice President of EnCana Oil and Gas.

At the request of Commissioner Campbell

Paul Sander, Vice President of EnCana Oil and Gas, gave a presentation on Haynesville Shale.

Ex. 12 Entergy Louisiana industrial and agricultural customers on fuel-adjustment charges.

At the request of Commissioner Campbell

Travis Ables, a poultry farmer from Jonesboro, LA, asked the Commission to do everything in its power to monitor Entergy's fuel-adjustment charges.

Ex. 13 1) Reports: Status of locating regulatory consultants to evaluate the LPSC's regulatory procedures.
2) Resolutions
3) Discussions

Executive Counsel Eve Gonzalez stated that she is working with Scott Hempling with NRRI on this issue.

Commissioner Field directed Staff to look into the difference in the Henry Hub and the CenterPoint pipelines.

Ex. 14 Dixie Electric Membership Corporation, Ex Parte. In re: Request for approval from the Louisiana Public Service Commission to set up a regulatory mechanism related to all the costs of restoration after Hurricane Gustav.

At the request of Commissioner Field.

On motion of Commissioner Field, seconded by Commissioner Manuel, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve DEMCO's request to defer all of the costs incurred in connection with storm repair and restoration borrowings and to designate these deferred costs as a regulatory asset subject to the conditions read into the record.

Ex. 15 Pointe Coupee Electric Membership Corporation, Ex Parte. In re: Request to Establish a Regulatory Asset Account to Defer Storm Related Costs Incurred by Hurricane Gustav.

At the request of Commissioner Manuel.

On motion of Commissioner Manuel, seconded by Commissioner Campbell, and unanimously

adopted, the Commission voted to accept the Staff Recommendation and approve Pointe Coupee's request to establish a regulatory asset account to defer storm related costs incurred by Hurricane Gustav subject to the conditions read into the record.

- Ex. 16 Remarks by M.D. "Max" LeComte of Shreveport, President and CEO, Coordinating and Development Corp., on the importance of universal access to high-speed Internet service in Louisiana.

At the request of Commissioner Campbell.

M.D. "Max" LeComte spoke on the importance of universal access to high-speed internet service in rural Louisiana.

- Ex. 17 **R-30480** - LPSC, ex parte. In re: Review of the Existing State Universal Service Fund, as established by LPSC General Order dated 4/29/05, as amended 5/18/05.

At the request of Commissioner Manuel.

On motion of Commissioner Blossman, seconded by Commissioner Manuel, and unanimously adopted, the Commission voted to accept the Staff Recommendations 1 through 18 as read into the record.

Further, as Staff has recommended we consider relaxing the "COLR" obligations of AT&T in Zones 1 and 2, Commissioner Blossman directed AT&T to file into the record of Docket R-30480 the competitive data referenced in its October 27, 2008 comments. All parties of record in Docket R-30480 shall be provided electronic copies of the data and shall have 15 days to file comments on it and Staff's Recommendation that the "COLR" obligations should be reviewed. Staff will issue a Final Recommendation for the Commission's consideration at its January Business and Executive Session with respect to AT&T's request.

- Ex. 18 Report from Special Counsel and Entergy on System Agreement Cases, Potential New System Agreement, and Spindletop Regulatory Asset.

At the Request of Commissioner Field.

Special counsel Fontham provided a report on the status of System Agreement matters, including the case filed by the Commission at the FERC to include the costs of the Spindletop regulatory asset in the FERC's rough equalization bandwidth calculation. He also reported on a lawsuit recently filed against Entergy Mississippi, Inc. by the Mississippi Attorney General, which involves issues related to the System Agreement. Mr. Twomey provided a response on behalf of Entergy.

- Ex. 19 Discussion and possible vote on resolution of existing complaints between Cleco Power LLC and Washington-St. Tammany Electric Cooperative, Inc., including the Ozone Place matter (U-29941/U-30053) and North Lane (U-28458-A), and uncontested stipulated settlement agreement regarding existing complaints.

At the request of Commissioner Blossman.

On motion of Commissioner Blossman, seconded by Commissioner Manuel, and unanimously adopted, the Commission voted to accept the Uncontested Stipulated Settlement as filed into the record in Docket U-28458 Subdocket A and Docket U-29941 Consolidated with U-30053.

- Ex. 20 **U-30553** - Louisiana Water Service, ex parte. In re: Application for an increase and adjustment of rates and charges for water and sewer service sold by Louisiana Water Service, Inc. within St. Tammany Parish.

In re: Discussion and Possible Vote on Uncontested Stipulated Settlement.

At the request of Commissioner Blossman.

On motion of Commissioner Blossman, seconded by Commissioner Boissiere, with Commissioners Field and Manuel consenting, and Commissioner Campbell temporarily absent, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Settlement as agreed upon by the parties and filed into the record.

Ex. 21 **S-30849** – Worldwide Environmental Solutions, LLC and Density Utilities of Louisiana, LLC, ex parte. In re: Transfer of Worldwide Environmental Solutions, LLC (“Seller”) sewer systems to Density Utilities of Louisiana LLC (“Purchaser”).

In re: Approval of the transfer of WWE to Density.

At the request of Commissioner Blossman.

On motion of Commissioner Blossman, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and grant the request for approval of the transfer of WWE to Density. The Commission further voted to grant Density an interim rate increase in order to allow Density to immediately begin needed improvements on the system, subject to the conditions read into the record.

Ex. 22 **U-30864** – Density Utilities of Louisiana, LLC, ex parte. In re: Request for an increase in wastewater rate for entire service area.

In re: Request for Interim Rate Increase

At the request of Commissioner Blossman.

On motion of Commissioner Blossman, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and grant the request for approval of the transfer of WWE to Density. The Commission further voted to grant Density an interim rate increase in order to allow Density to immediately begin needed improvements on the system, subject to the conditions read into the record.

Commissioner Field moved to bring up an item not on the agenda, with Commissioner Campbell seconding the motion, and Commissioners Manuel, Blossman and Boissiere dissenting. By a vote of 3 to 2, the Commission declined to consider the item.

Commissioner Blossman stated that he has enjoyed his 12 years on the Commission and will miss everyone he has worked with.

MEETING ADJOURNED

The next Business and Executive Session will be held January 14, 2009 at 9:00 a.m. in Baton Rouge, Louisiana.